

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015

COMMITTEE STATEMENT

LB330

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**Hearing Date:** Monday January 26, 2015  
**Committee On:** General Affairs  
**Introducer:** Larson  
**One Liner:** Change provisions relating to alcoholic liquor

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 8 Senators Schilz, Riepe, Larson, Krist, Kolterman, Hughes, Hansen, Coash  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Verbal Testimony:**

**Proponents:**  
Senator Tyson Larson  
Hobert Rupe  
Sean Kelley  
Kathy Siefken  
Justin Brady

**Representing:**  
Introducer  
Nebraska Liquor Control Commission  
Self  
Nebraska Grocery Industry Association  
Nebraska Liquor Wholesalers

**Opponents:**  
Roy Christensen  
Gary Krumland  
Reggie Bollinger  
Jaimi Calfee  
Christie Abdul  
Nicole Carritt  
Lanette Richards  
Charles Kaup

**Representing:**  
City of Lincoln  
League of Nebraska Municipalities  
Self  
Self  
National Association of Social Workers  
Project Extra Mile  
Monument Prevention Coalition  
University of Nebraska at Omaha School of Social Work (Student)

**Neutral:**

**Representing:**

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**Written Testimony:**

**Proponents:**

**Representing:**

**Opponents:**  
Robert Schmill  
Jennifer Green

**Representing:**  
Matt's Dream Foundation  
Self

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

Due to the limited number of priority designations (one per Senator), (two per Committee), and (25 by the Speaker), it is common practice for Committees to bundle bills together as one omnibus bill.

LB 330 incorporates a number of proposals that fall under the Liquor Control Act, which is Chapter 53 of the Nebraska Revised Statutes. Nearly all of these proposals appeared in the Nebraska Liquor Control Commission's Legislative letter.

- 1) Includes "powder" as one of the forms of alcoholic liquor that the Liquor Control Commission has jurisdiction over. (Page 2, lines 15 and 20).
- 2) Defines hard cider as a beer instead of wine. (Page 3, lines 8-23).
- 3) Allows licensees 30 days for a late renewal. (Page 12, line 13, and page 14, lines 2-3).
- 4) Only requires a hearing in situations when the applicant's establishment is within 150 feet of a church and the effected church submits a written request for a hearing to the Liquor Control Commission. (Page 13, lines 11-12 and page 16, lines 25-26)
- 5) Provides the Liquor Control Commission with the discretion to dispose of confiscated alcohol. (Page 18, lines 5-6, 19-20, 21, 22, 26, and page 18, line 31-page 19, line 4).
- 6) Currently, no liquor license can be issued within 150 feet of a "home for the aged". LB 330 strikes the word "aged" allowing retirement and nursing home facilities to apply for liquor licenses. (Page 16, line 11).
- 7) Eliminates a provision that allowed a wholesaler without a shipping license to import beer into Nebraska to be sold at retail in another state and that could then be returned to the wholesaler in Nebraska. (Page 4, lines 3-9) General Affairs Committee
- 8) Applies the keg laws to all kegs containing alcohol liquor and not just beer kegs. (Page 14, line 23 and Page 15, lines 3, 22-23, and 15).
- 9) Repeals the mandatory closing time statute. This would allow bars and restaurants to decide when to close. (Page 9, lines 16-19, page 17, lines 12-13, and page 19, lines 14-15).
- 10) Personnel Services Limitation for \$102,000 to help address the personnel needs of the Liquor Control Commission. (Page 19, lines 5-7).

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**Explanation of amendments:**

The Committee Amendment eliminates the provisions regarding closing time by striking sections 8, 15, and 20 .

Section 53-131 requirement that applications be filed in triplicate was eliminated by striking the language, "in triplicate original" on page 2.

LB 486 with amendment was amended into LB 330 and appears in section 8. The section allows a Class C licensee to apply for a limited bottling endorsement, which would allow the holder to fill a container, commonly referred to as growlers, up to 32 ounces for consumption off the licensed premises. These containers must be sealed, sanitary, and display the endorsement holder's trade name or logo. The container must also have the receipt with it. The application fee is \$300.

LB 204 was amended into LB 330 and appears in section 13. LB 204 included Legislative intent language regarding

encouragement for beer manufacturers to utilize local crops, which would stimulate local economies. This encouragement comes in the form of tax credits. Beer-related crops are defined as barley, hops, or other grain customarily used in the manufacture of beer.

The tax credits are nonrefundable, requiring at least 10% of local beer-related crops, which would generate a credit equal to that percentage for the first 20,000 barrels sold by the manufacturer.

The tax credit for the beer manufacturer is based on the percentage of local beer-related crops as follows:

10% or more, but less than 40% would mean a 15% tax credit;

40% or more, but less than 70% would mean a 25% tax credit; and

70% or more would mean a 35% tax credit.

The Liquor Control Commission would process the beer manufacturer's tax credit application. The application is due by January 25 and must contain the name of the manufacturer, total number of barrels of beer sold, the amount of state excise tax paid the previous year, the percentage of qualifying local crops used by the manufacturer, and whatever additional information the Commission may require in order to process the application and carry out this tax credit program. Once the Commission determines the tax credit amount, then the manufacturer is notified and may then claim the tax credit to offset its monthly taxes owed.

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Tyson Larson, Chairperson